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AM 15

MEMORANDUM

TO: FE - Mr. William D. Wright

SUBJECT: The Collection and Reporting of Intelligence
on the Far East

Recently, members of your staff requested R's views on reporting on the Far East, with special reference to peripheral reporting on China and Korea. The attached paper, setting forth these views in detail, was prepared prior to the outbreak in Korea, and recalled after issuance for certain minor factual changes reflecting the new conditions. No changes have been made, however, in the original conclusions of this paper. They are now, in our opinion, even more pertinent than before. The need for the procurement and preparation of adequate intelligence becomes more critical to the Department and to all the other agencies concerned with national security with each further step in the deterioration of the Far Eastern situation.

To insure complete coverage of P's increasing requirements for intelligence support of the USIE Program, R worked closely with P and FE/P during the preparation of this paper. You will note, therefore, that particular emphasis has been placed on the need for R and P participation in peripheral reporting assignments. It is now generally recognized that such reporting is the best possible method of obtaining information on conditions behind the Iron Curtain.

Even in non-emergency times, Foreign Service political and economic reporting, whether normal or peripheral, must be responsive to intelligence needs. The attached report, therefore, indicates (a) the need for special officers at Foreign Service posts to concentrate on the analysis of basic factors underlying current developments, leaving events of more immediate significance to the regular complement of political and economic reporting officers, and (b) the necessity of an expanded effort in the fields of map procurement, publications procurement, and biographic reporting.

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State Dept. review completed

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The experience of the years since the last war has demonstrated that without an increase in reporting of the above types, it will not be possible for R to prepare the evaluated political, sociological, and economic intelligence reports required by Departmental policy officers and by the other IAC agencies (CIA; Army, ID; Navy, ONI; and Air Force, A-2).

Recognizing both the above needs, as well as the urgency of such increased reporting, R strongly recommends the following action:

1. An expansion of biographic reporting activities, including the collection and analysis of biographic material, and the preparation of intelligence reports on persons of actual or potential significance both within their own country or area and/or to the United States in its relations with this country or area. Particular emphasis, of course, will be placed on those individuals engaging in the political, economic, and sociological fields. This expansion will require the assignment of more full-time specialists extensively trained in the collection and evaluation of biographic source material.
2. An expansion of the publications procurement program to provide a more thorough coverage of foreign publications. This operation requires the assignment, on a full-time basis, of officers with experience and training in the publications field and versed in the intelligence needs of the Department and the other Government agencies.
3. An increase of emphasis on map procurement by purchase, gift, or exchange. One officer, experienced and trained in cartography and geography, and possessing a thorough knowledge of the mapping intelligence and information requirements of the Department and other Government agencies, will be able to produce surprising results.
4. Supplemental reporting in the field on the long-range aspects of economic and political events and conditions. Such reporting requires research and evaluation on the spot and the preparation of analytical intelligence reports. Studies so prepared are beyond the scope of the normal reporting function of a mission and require the short-term assignments of specialists in the subject and area concerned.

To perform the functions outlined above, FE must consider the inclusion in its foreign complement of a total of 26 positions, of which

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20 are new positions as indicated below. These positions would be provided for as a regular part of FE's FSO, FSR, and FSS position pattern. (For further information, see Section VI of the attached paper.)

	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>
Political & Economic Reporting Officers	2	15	13
Biographic Reporting Officers	2	7	5
Publications Procurement Officers	2	3	1
Map Procurement Officers	<u>0</u>	<u>1</u>	<u>1</u>
Total	6	26	20

It will be noted that two positions for political and biographic reporting in New Delhi are included, because the reporting will be peripheral in nature and primarily in support of FE. It is recommended that FE provide NEA with the two new positions, just as EUR has provided positions for peripheral reporting in Heidelberg, Athens, and Istanbul.

Further, one position in direct support of P has been requested for Djakarta to serve as a consultant to the USIE on local Islamic affairs (See Section VI). It is not included in the twenty-six above, because it would be attributed and charged to the USIE Program.


The paper is divided into the following sections:

- I Introduction
- II Far East General Reporting
- III Far East Peripheral Reporting
- IV Biographic Reporting

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- V Geographic Intelligence
- VI Summary Position Table
- VII Summary of Recommendations

It is emphasized, in conclusion, that these suggestions stem from our desire to be of assistance and to cooperate with FE in the production of information designed to meet FE's needs as well as those of other intelligence consumers on a current and a long-range basis. Should further information on this report be desired, Mr. George A. Pope, of my staff, Extension 4221, will be happy to meet with you or any of your staff members for further discussions.


John F. Killea
Director, Executive Staff. R

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Korea. (Recommendations based on conditions prior to the outbreak of war have been withdrawn from this report.)

Japan. Reporting from Japan on developments in the Japanese economy in general has been quite good. The coverage has been broad, and great attention has been given to particularly significant developments. Until recently, however, the Mission has not had the regular reporting responsibilities and, accordingly, it is not as fully staffed as desirable. As a consequence, two weaknesses are apparent in its reporting: reporting, particularly with respect to political developments, (1) is somewhat spotty and irregular and (2) lacks depth in analysis. An additional defect, arising in part out of the unusual position of the Mission, is the failure to provide adequate coverage of the relationship of SCAP with the Japanese Government.

Recommendation: The defects of spottiness and irregularity in reporting will perhaps be corrected in part with the institution of regular monthly political summaries. It is hoped that these summaries will give particular attention to analysis of internal developments in the Japanese Communist Party, since it is felt here that SCAP #2, despite its extensive coverage, has been markedly weak in analysis in this respect. More adequate coverage of the inter-relationship between SCAP and the Japanese Government on particular issues could be provided through reports compiled for Department use only. Elimination of the second weakness, however, and in part, the first, would appear to require fuller staffing of the Mission. A considerable contribution could be made to the reporting function of the Mission by the addition of two or three officers assigned a general intelligence research function within the Mission.

The assignment of Mrs. Jane Alden to the Mission in Tokyo is a first step in the direction of establishing such an intelligence function. A second step would be the addition to the Mission's staff of an economist, also assigned a general intelligence function, thus providing a balanced intelligence unit to service the Mission and the Department through the Mission.

Southeast Asia

Thailand. The reporting from Thailand has, in the past, been very uneven -- on the whole, excellent in the political field and poor with regard to economic problems. The commercial staff has had to devote much of its time to servicing American businessmen. A major improvement in the attention given to economic analysis is expected from the current expansion of the staff.

Recommendation: Any recommendations should await results from expansion of staff.

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Indochina. The legation staff in Indochina is expanding rapidly, and fuller reporting on political and economic trends will become possible. The greatest need is for information on the areas controlled by the government. These areas are inaccessible to State Department personnel.

Recommendation. Reporting on Indochina should be strengthened in Bangkok, New Delhi, Hongkong, Rangoon, and other posts with access to independent sources of information.

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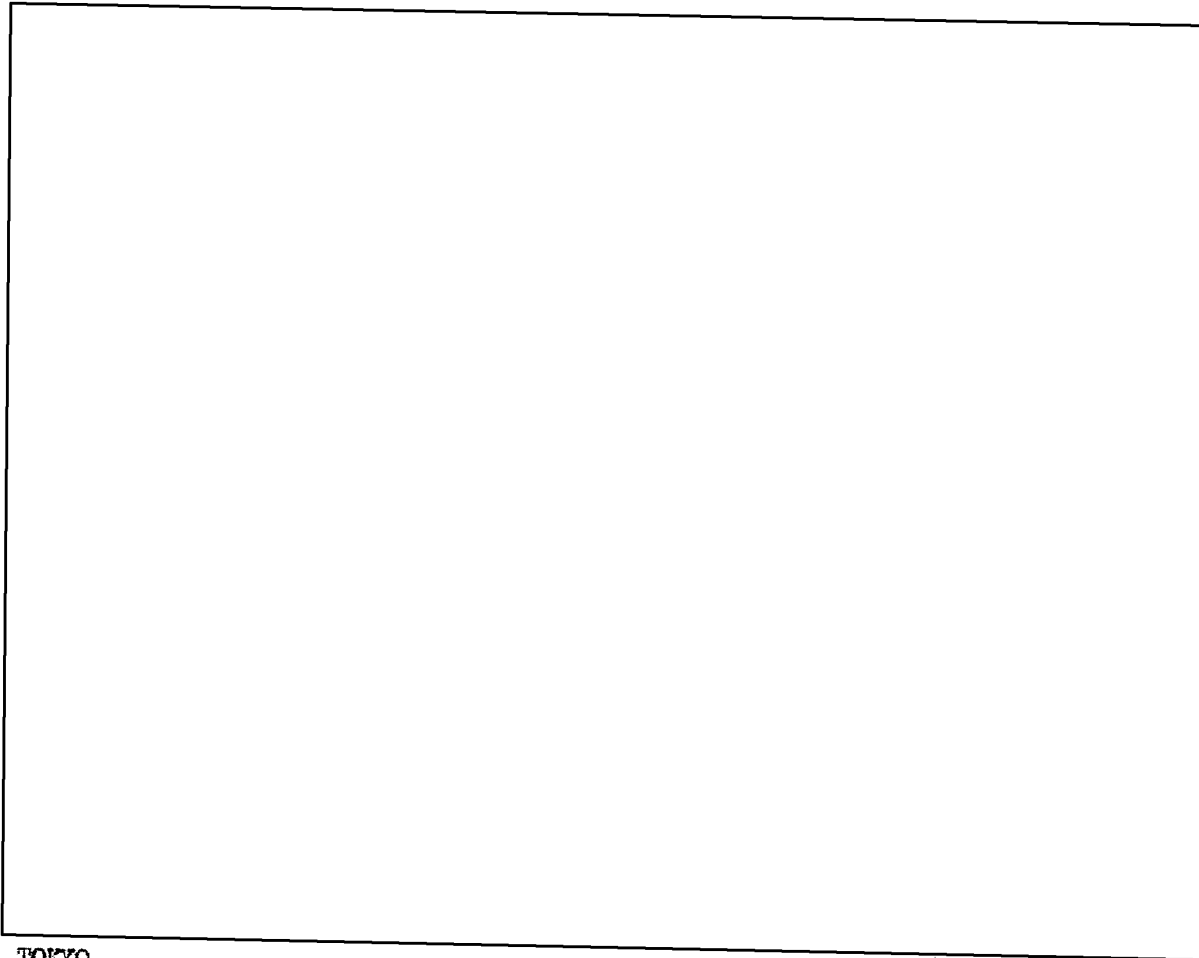
Malaya. Reporting from British Malaya is inadequate in the political fields. This defect may, in part, be due to the limited contacts of mission members with other than British officials. Most current reporting deals with economic data, but fuller details on such subjects as budgets, development plans, and expenditures on development would be desirable. The inadequacy of contacts with Malay, Chinese, and Indian leaders, trade-union officers, educators, etc., prevents any reporting in depth concerning trends in political and social life.

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TOKYO

At the present time, Tokyo would seem to have only marginal utility as a peripheral post. However, if and when trade between China and Japan increases beyond the present insignificant volume, Tokyo might be the logical location for the collection and analysis of economic intelligence on China.

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The utility of Taipei as a post for peripheral reporting is believed to be limited at this time. R recommends that no action be taken for Taipei until developments indicate whether or not there would in fact be opportunity for useful intelligence exploitation.

SOUTHEAST ASIA

The potential expansion of Communist China's influence through the overseas Chinese communities in countries of Southeast Asia makes desirable the assignment of officers with competence in the Chinese language to posts in Thailand, Indochina, Malaya, Indonesia, and the Philippines to report on activities, attitudes, etc., of the local Chinese community. The task of these officers would be to follow exclusively the local Chinese language press and to observe and report on trends in the attitudes and activities of prominent Chinese leaders and Chinese organizations, their contacts with and influence on indigenous groups, and their ties with the home land. These assignments would be in addition, and complementary, to the proposed assignment of biographic intelligence officers (see Section IV, below) to the same posts for peripheral reporting on the local Chinese community.

IV. BIOGRAPHIC REPORTING

In connection with the peripheral reporting program concerning China, as distinguished from the local program at each post, the following program of biographic reporting is recommended:

Each of the proposed peripheral reporting units at the missions in Southeast Asia should include among its responsibilities those of collecting biographic information and maintaining biographic files on Chinese nationals in the area and submitting reports based on this material. Except possibly in the case of Indochina, this activity should be maintained separately from any other biographic program that may exist at the post. Separate biographic files on Communist are recommended, because it is believed that the source materials for files on Chinese in these areas will generally be distinct from the sources now being tapped for information on local leaders and because these files can be adequately compiled only by an officer who is familiar with Chinese names, at least in romanized form, and who is also familiar with Chinese political alignments.

Greater emphasis than is ordinarily the case must be given to the collection and organization of information of a commercial nature. The commercial connections of important Chinese in each area constitute an important target since it may be presumed that some of these commercial contacts will be used as channels for the infiltration of influence from China proper and because of the important position of Chinese minorities in the economic life of Southeast Asia countries. In addition to developing new sources for such information, this activity will require special efforts to tap and organize data in the consular and commercial sections of the Missions that may not be readily available for quick reference.

The biographic unit at Hongkong, recommended in RI's memorandum of March 7 and subsequently approved by FE and the Consulate General

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clerks now performing biographic work at these posts. In the case of New Delhi, it is recommended that one officer be designated to be solely responsible for the peripheral program, since it is believed that the officer now assigned to biographic duties is already fully occupied and cannot absorb the additional work represented by the peripheral program.

The total biographic intelligence requirements to strengthen the local program and undertake a peripheral program at each post in the Far East are 7 persons, as compared with the approximately 7 man-years devoted solely to the biographic program in China before the withdrawal of the Embassy and Consulate from that country.

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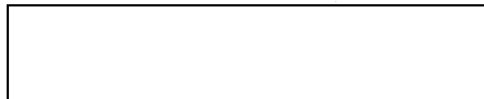
<u>Post</u>	<u>Local Reporting</u>
Singapore	Function handled on part-time basis by one officer; reporting improving but still not fully capitalizing on all available sources. Half-time of one officer required.
<u>Proposed new personnel:</u> One officer with competence in the Chinese language.	
Kuala Lumpur	Political Reporting Officer should assume responsibility for any biographic reporting that may be required.
Penang	Political Reporting Officer should assume responsibility for any biographic reporting that may be required.
Indonesia	Current reporting at Embassy and Consulates excellent as far as it goes but not commensurate with great needs. Now performed on part-time basis by officers at each post.
<u>Proposed new personnel:</u> One full-time officer with competence in the Chinese language; his first duty should be to develop the local reporting program and coordinate the local reporting of the Embassy and the Consulates; his second responsibility should be gradually to undertake peripheral reporting.	
Manila	Satisfactorily covered by part-time of one officer and full-time clerk.
Rangoon	Satisfactorily covered by part-time of one officer.
New Delhi	Function covered very well by one officer.
<u>Proposed new personnel:</u> One officer with competence in the Chinese language.	

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Post and Country	Total Personnel Required for Increased Reporting			Additional Regular Reporting	Intelligence Support	Biographic Intelligence Reporting	Map and Publications Procurement	Additional Public Affairs Reporting	Remarks
	Periph-eral	Local	Total						
Formosa Taipei	-	-	-	-	-	-	-	-	
Maland Bangkok	2	-	2	-	1 area specialist (with competence in Chinese language)	1 biographic analyst (with competence in Chinese language)	-	-	
				<u>Function</u> Peripheral reporting on Indo-China	<u>Function</u> Peripheral reporting on activities, attitudes, eco., of the local Chinese community	<u>Function</u> Local biographic intelligence and peripheral reporting (Chinese nationals)			

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SUMMARY OF RECOMMENDATIONS (Continued)

Post and Country	Total Personnel Required for Increased Reporting	Periph-eral	Local	Total	Additional Regular Reporting	Intelligence Support	Biographic Intelligence Reporting	Map and Publications Procurement	Additional Public Affairs Reporting
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Thailand (Cont.)

Bangkok

Function

Peripheral reporting

Function

Local biographic intelligence and peripheral reporting (Chinese nationals)

Saigon

2

2

1 area specialist (peripheral) (with competence in Chinese language)

1 biographic analyst (with competence in Chinese language)

Function

Fuller reporting on areas controlled by the Ho Government

Function

1. Peripheral reporting on activities of local Chinese

2. Analysis of

employment of agents and public relations activities conducted from Hanoi and other areas (etc.)

Function

Local biographic intelligence and peripheral reporting (Chinese nationals)

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1. The first part of the text discusses the importance of maintaining accurate records of all transactions, including sales, purchases, and expenses. It emphasizes that this is crucial for determining the correct taxable income and for preparing the tax return.

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SUMMARY OF RECOMMENDATIONS (Continued)

Country	Total Personnel Required for Increased Reporting		Intelligence Support	Biographic Intelligence Reporting	Map and Publications Procurement	Additional Public Affairs Reporting	Remarks
	Perip- eral	Local Total					

Malaya (Cont.)

Kuala Lumpur - 1 1 1 area specialist - - -

Function

To supplement and support reporting on political trends in the Federation of Malaya

Function

Local biographic intelligence and peripheral reporting (Chinese nationals) as required

Malaya

Function

Peripheral reporting

Function

Local biographic intelligence and peripheral reporting (Chinese nationals)

Peripheral functions to be included upon establishment of post and to be coordinated with Hongkong program

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UNCLASSIFIED

Support to Information Operations (Continued)

Post and Country	Total Personnel Required for Increased Reporting	Peripheral	Local	Total	Intelligence Support	Biographic Intelligence Reporting	Map and Publications Procurement	Additional Public Affairs Reporting	Remarks
Indonesian Jakarta, Java	2	2	4		<p>1 expert on Islamic affairs (consultant) *</p> <p>1 area specialist (with competence in Chinese language) (peripheral)</p>	1 biographic analyst (with competence in Chinese language)		<p>(See "Intelligence Support" column and footnote)</p> <p>1 area specialist</p>	Peripheral function to be coordinated with Hongkong program
					<p>Function</p> <p>1. Consultant to USIE on local Islamic affairs *</p> <p>2. Peripheral reporting on activities of local Chinese</p>	<p>Function</p> <p>Coordination of local biographic intelligence and peripheral reporting (Chinese nationals)</p>		<p>(See "Intelligence Support" column and footnote)</p> <p>Reporting on attitudes of Indonesian groups</p>	

Affairs Reporting.

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COMPLETION

SUMMARY OF RECOMMENDATIONS (Continued)

Post and Country	Total Personnel Required for Increased Reporting	Additional Regular Reporting	Intelligence Support	Biographic Intelligence Reporting	Map and Publications Procurement	Additional Public Affairs Reporting	Remarks
Philippines							
Manila	1	1	2				Peripheral functions to be coordinated with Hongkong program

Philippines

Manila

1

1

2

1 area specialist
(with competence in Chinese language)
(peripheral)
1 area specialist
(Mindanao)

Function

1. Peripheral reporting on activities of local Chinese
2. Reporting on social conditions and political trends in Mindanao

Function

Local biographic intelligence and peripheral reporting (Chinese nationals)

Peripheral functions to be coordinated with Hongkong program

Laboanga

Function

Establishment of
USIE Branch

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Laboanga

Function

Establishment of
USIE Branch

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Post and Country	Total Personnel Required for Increased Reporting	Additional Regular Reporting	Intelligence Support	Biographic Intelligence Reporting	Map and Publications Procurement	Additional Public Affairs Reporting	Remarks
App	Periph-eral	Local	Total				

Post and Country	Total Personnel Required for Increased Reporting	Peripheral	Local	Total	Intelligence Support	Biographic Intelligence Reporting	Map and Publications Procurement	Additional Public Affairs Reporting	Remarks
NNA Posts									
India									
New Delhi	2	-	-	2		1 biographic analyst (with competence in Chinese language)	1 biographic attaché		
					<u>Function</u>	<u>Function</u>	<u>Function</u>		
					Peripheral reporting	Peripheral biographic reporting on China and Southeast Asia	Map intelligence on Southeast Asia		
Bangkok					<u>Function</u>	<u>Function</u>			
					Peripheral reporting	Local biographic intelligence and peripheral reporting (Chinese Nationals)			
TOTAL	20	7	27	0	15				

CONCLUSIONS

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SUMMARY OF RECOMMENDATIONS (Continued)

Country	Total Personnel Required for Increased Reporting			Additional Regular Reporting	Intelligence Support	Biographic Intelligence Reporting	Map and Publications Procurement	Additional Public Affairs Reporting	Remarks
	Periph-eral	Local	Total						
Indonesia (Cont.)	1		1		1 area specialist (with competence in Chinese language)				Peripheral functions to be coordinated with Hongkong program
<u>Function</u>									
Peripheral reporting on activities of local Chinese									
Serabaja, Java									Peripheral functions to be coordinated with Hongkong program